

GREAT EASTERN HOLDINGS LIMITED

Financial Results for Q2-19 and 1H-19 Supplementary Information

31 July 2019

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1H-19 Financial Results

Total Weighted New Sales	1H-19: S\$549.3m; -3% (1H-18: S\$565.7m) Marginally lower than last year same period.
New Business Embedded Value	1H-19: S\$253.3m; -2% (1H-18: S\$257.5m) In line with sales performance.
Profit Attributable to Shareholders <div style="border: 1px solid black; padding: 10px; width: fit-content; margin: 20px auto;"> <p style="margin: 0;">S\$511.7m</p> <p style="margin: 0;">↑31%</p> </div>	<p>Operating Profit: S\$311.7m; -2% (1H-18: S\$319.6m) Lower operating profit due to a one-off gain arising from release of surplus from overseas operations in Q1-18.</p> <p>Non-Operating Profit: S\$48.6m; +636% (1H-18: S\$6.6m) Higher gains amid favourable market conditions for 1H-19 compared to 1H-18.</p> <p>Profit from Shareholders' fund¹: S\$151.4m; +135% (1H-18: S\$64.3m) Higher mark-to-market gains in equities in 1H-19 compared to mark-to-market losses for the same period last year.</p>

The Board of Directors has declared an interim one-tier tax exempt dividend of 10 cents for the financial year ending 31 December 2019, payable on 30 August 2019.

Note:

1. Includes Non-Controlling Interest

Overview of Q2-19 and 1H-19 Financial Results

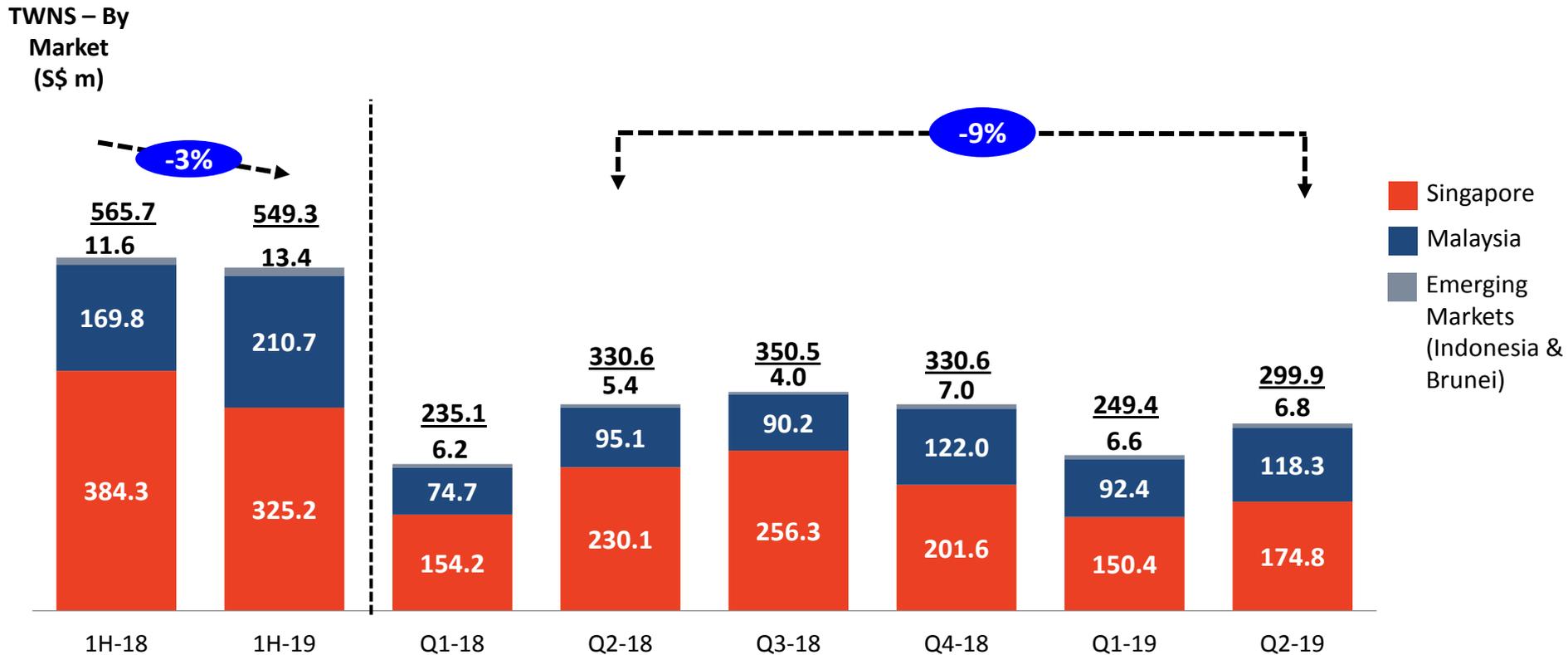
S\$'m	Q2-19	Q2-18	Δ%	1H-19	1H-18	Δ%
Total Weighted New Sales^{1&4}	299.9	330.6	-9	549.3	565.7	-3
New Business Embedded Value^{2 to 4}	147.8	148.4	-0	253.3	257.5	-2
Operating Profit (net of tax)⁴ from Insurance Business	161.7	156.7	+3	311.7	319.6	-2
Non-Operating Profit (net of tax)⁴ from Insurance Business	-26.0	15.3	nm	48.6	6.6	+636
Profit (net of tax) from Shareholders' fund	36.6	69.1	-47	160.8	70.1	+129
Non-Controlling Interest	-3.3	-3.5	nm	-9.4	-5.8	nm
Profit Attributable to Shareholders	169.0	237.6	-29	511.7	390.5	+31

Note:

1. Total Weighted New Sales (TWNS) = (Single Premium x 10%) + New Regular Premium
 2. New Business Embedded Value (NBEV) is a measure of the long-term profitability of new sales.
 3. NBEV figures for periods prior to Q4-18 have been restated to take into account revised actuarial assumptions implemented in Q4-18.
 4. 2019 TWNS, NBEV and Operating Profit in foreign currencies are translated using the monthly spot rate for 2018 for comparison on constant currency. In applying the constant currency translation, TWNS has increased by \$3.1m for Q2-19 and \$5.1m for 1H-19, NBEV has increased by \$2.3m for Q2-19 and \$3.4m for 1H-19. Operating Profit has increased by \$2.3m for Q2-19 and \$3.6m for 1H-19 and this impact has been included in the Non-Operating Profit.
- nm: not meaningful

TWNS Performance by Market

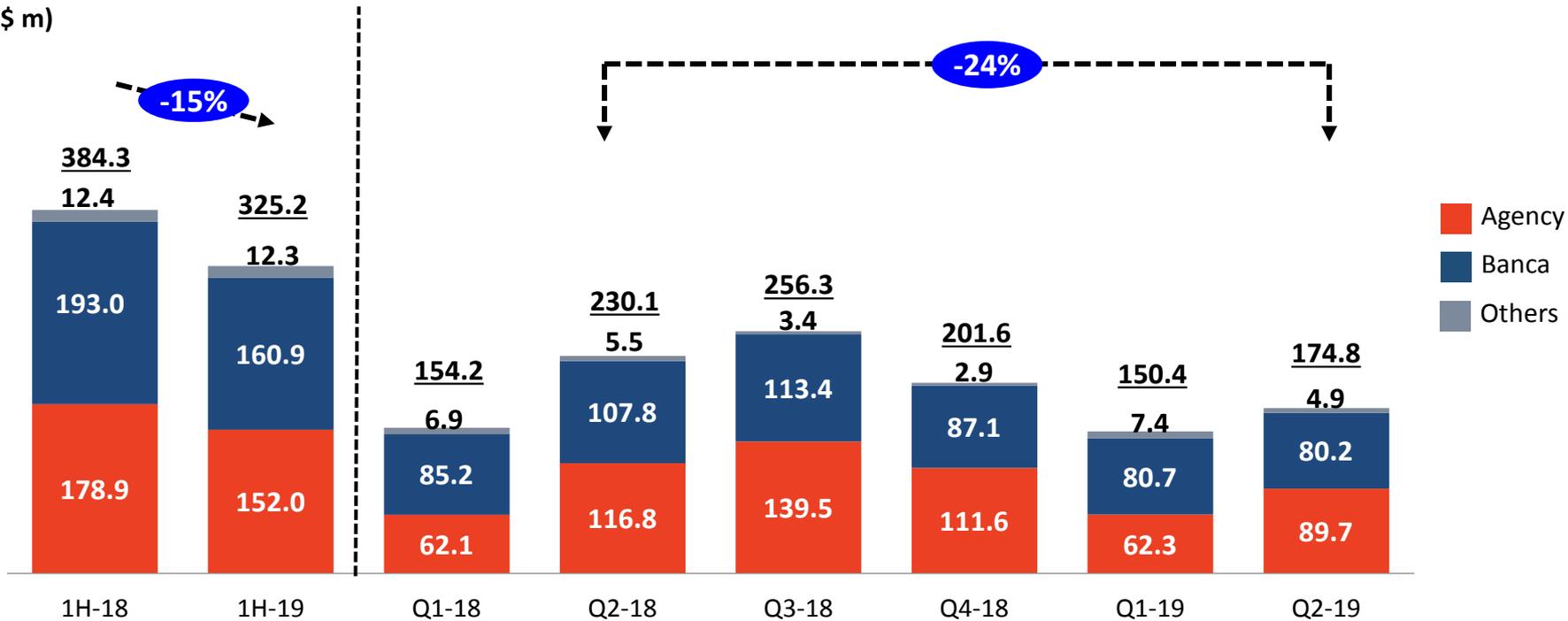
Lower sales from Singapore while Malaysia and Indonesia achieved higher TWNS for both the quarter and first 6 months of 2019.



Singapore TWNS – By Channel Mix

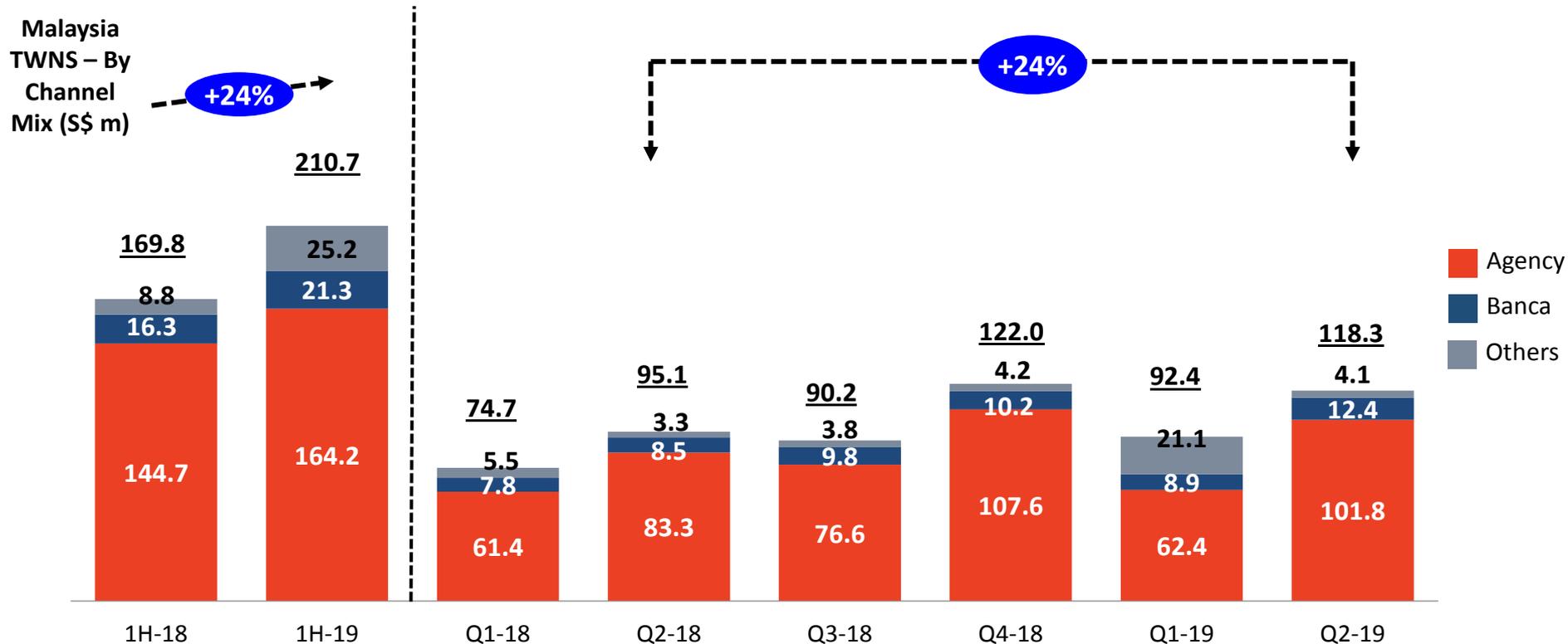
TWNS dipped for both Q2-19 and 1H-19 due to lower single premium sales.

Singapore
TWNS – By
Channel
Mix (S\$ m)



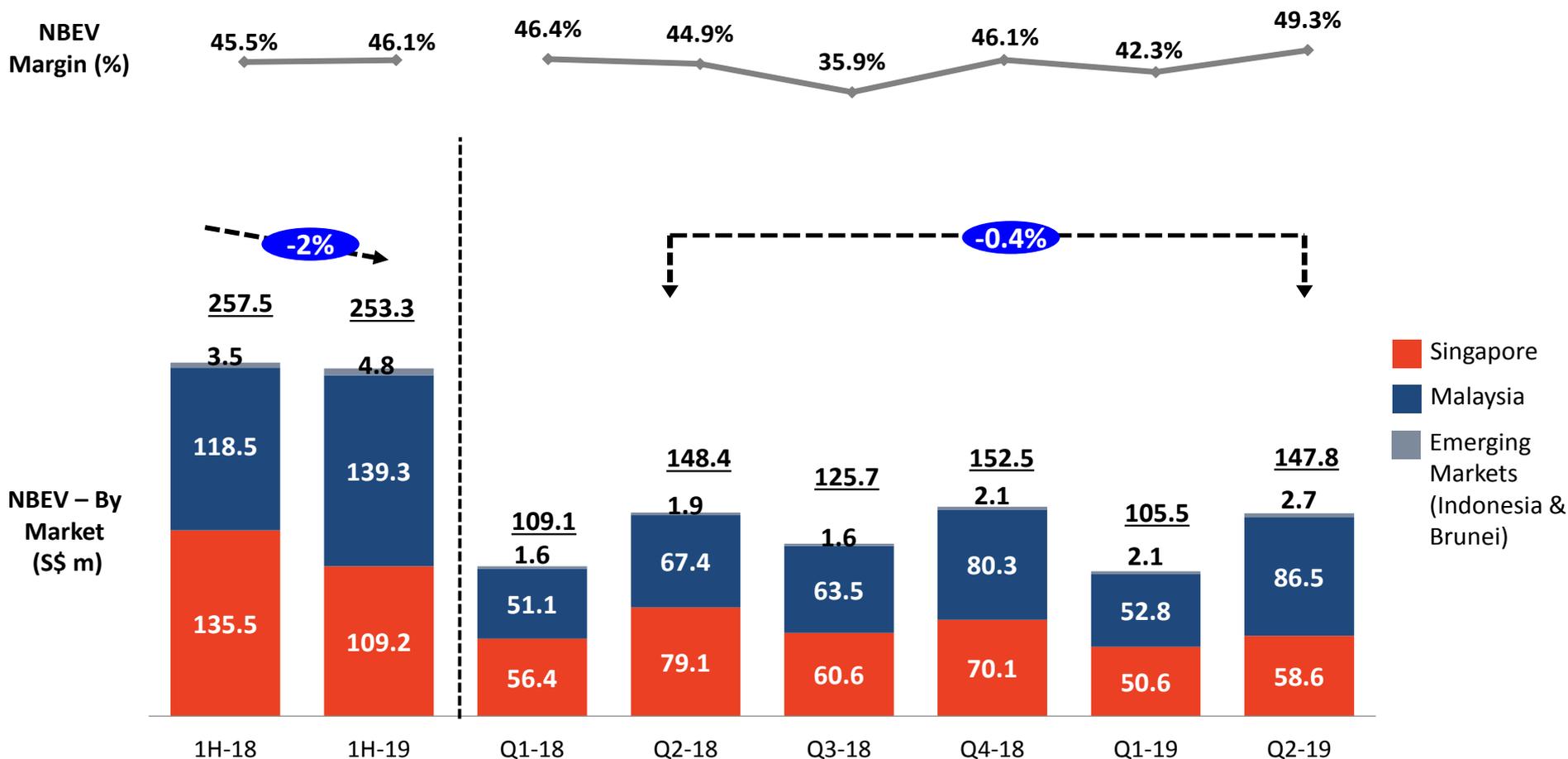
Malaysia TWNS – By Channel Mix

Strong sales growth of 24% for both Q2-19 and 1H-19, increased contribution from all distribution channels.



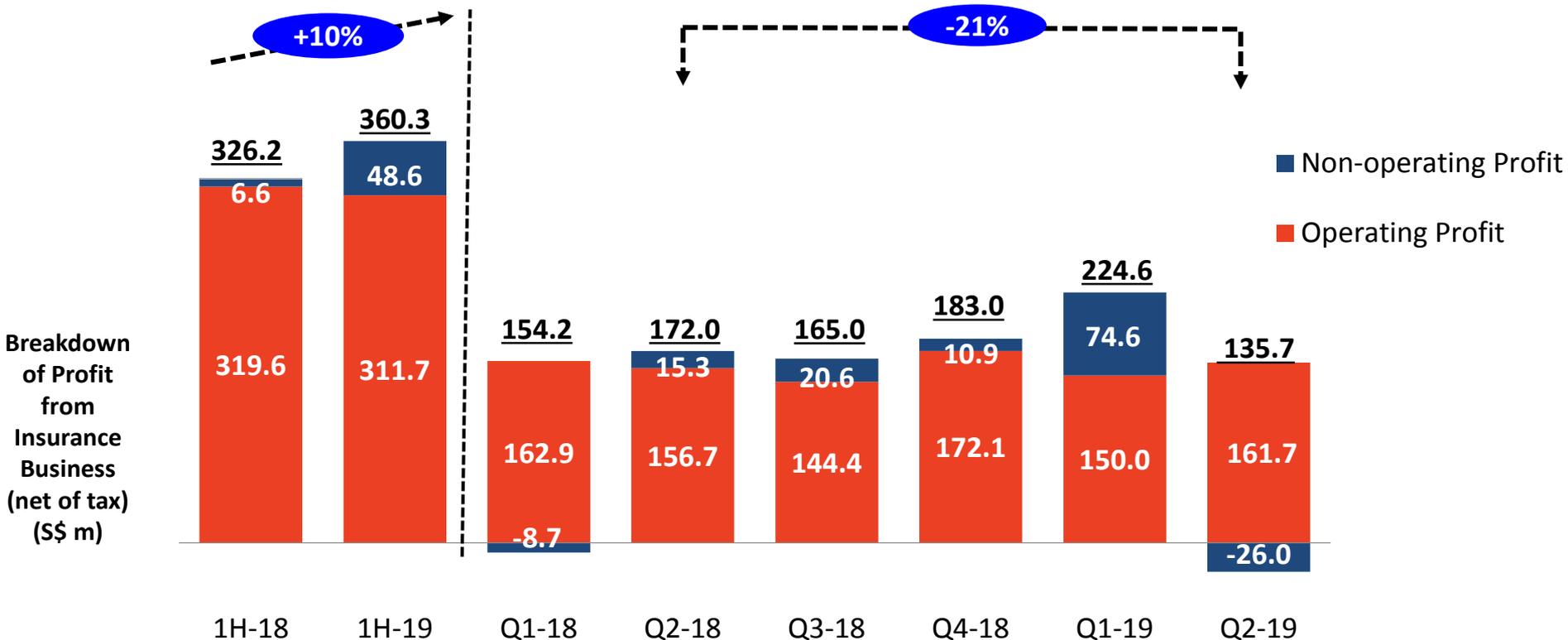
NBEV – By Market

Higher NBEV margin driven by increase in regular premium sales. NBEV was slightly down due to lower overall TWNS.



Breakdown of Profit from Insurance Business

Lower non-operating profit in Q2-19 due to higher valuation of long-term insurance contract liabilities as a result of a decline in the discount rate used to value these liabilities, which offset better investment performance



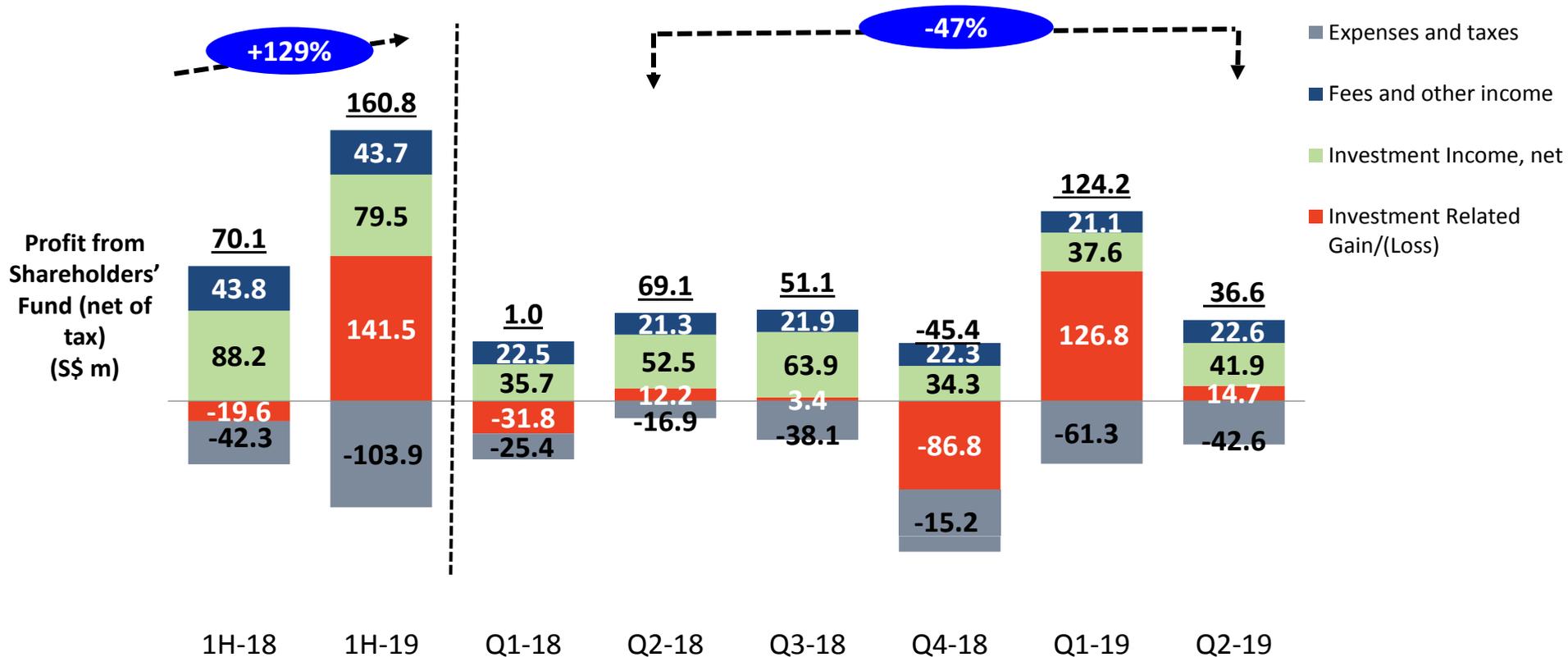
Note:

- Operating Profit (net of tax) is defined as premiums less claims, surrenders, commissions, expenses and changes in reserves, plus net investment income (dividends, coupons, etc)
- Non-operating profit / loss (net of tax) mainly comprises changes in the fair value of assets and liabilities, realised gains / losses on sale of investments, changes in liability discount rates, other non-recurring items.

Profit from Shareholders' Fund

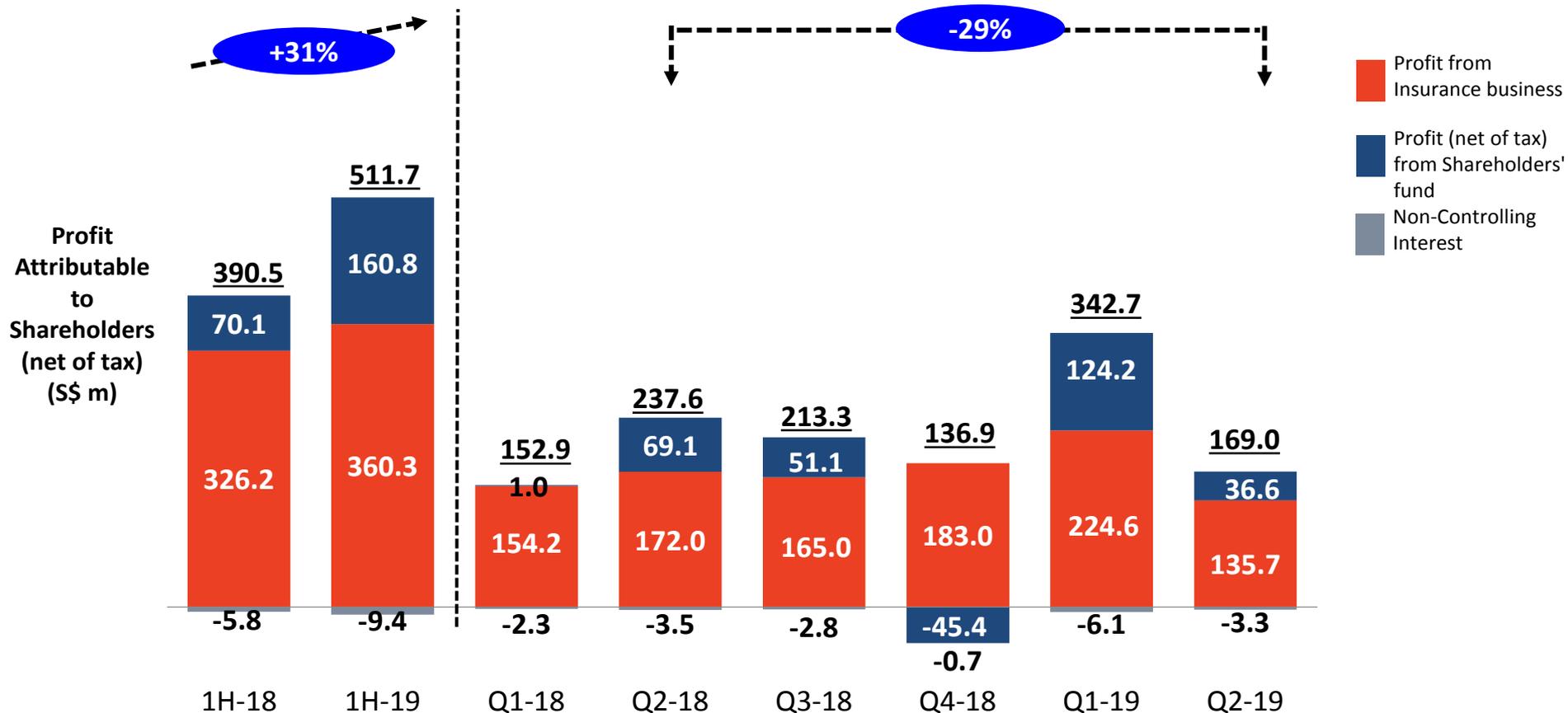
Profit from Shareholders' Fund of S\$36.6 million for Q2-19 was lower than Q2-18:

- Lower investment income mostly due to lower dividend income
- Higher expenses mainly from accrual reversal in the prior period



Profit Attributable to Shareholders

Profit Attributable to Shareholders was S\$169.0 million for Q2-19 due to lower non-operating profit from insurance business and profit from shareholders' fund.



THANK YOU